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Stop the Tax Hike

By Congressman Dave Camp (R-Midland)
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Consider three numbers — 40, 8 and 13. For 40 consecutive months, the U.S. unemployment rate has been at 8 percent or higher, and nearly 13 million Americans are currently looking for work.

America is in crisis. Unemployment remains high, employers are paralyzed by economic and regulatory uncertainty that stifles their ability to invest and hire, and we are but a few short months from yet again hitting our nation's debt limit. Simply put, the United States is standing at a cliff — a jobs cliff — and the decisions we make now can either create a climate that helps or hinders the job creation we so deeply need.

Pushing us ever closer to the edge of that cliff is the reality that the job creators we're counting on to move our economy forward and virtually every worker in America is facing the prospect of higher taxes starting Jan. 1 due to the scheduled expiration of the low-tax policies originally enacted in 2001 and 2003. That is, unless we act to stop the tax hike.

That translates to a tax increase of nearly \$2,200 for a family of four earning \$50,000 a year, or a \$4.3 trillion tax increase over the next decade. Americans and the American economy simply cannot afford to allow these tax increases to hit. Even the Congressional Budget Office has made it clear that these increases would devastate an already fragile economy and almost certainly send us reeling back into a recession.

We must take action to boost economic growth and create jobs by preventing massive tax hikes and providing a fairer, simpler tax code that lowers rates and closes special-interest loopholes. That is why I applaud Speaker John Boehner (R-Ohio) and House Leader Eric Cantor's (R-Va.) announcement that House Republicans will act before August to prevent job-killing tax increases, clearly state our principles for comprehensive tax reform and lay out an expedited process for Congress to complete comprehensive tax reform next year.

Support for preventing tax hikes is strong and bipartisan, garnering the support of prominent Democrats such as former President Clinton, former Obama economic

adviser Lawrence Summers and Senate Budget Committee Chairman Kent Conrad (D-N.D.). Recently even more Senate Democrats — Sens. Claire McCaskill (Mo.), Joe Manchin (W.Va.), Jim Webb (Va.) and Bill Nelson (Fla.) — refused to endorse a year-end tax increase. In 2010, a two-year extension of the 2001 and 2003 policies won broad bipartisan support, including “yes” votes from 40 sitting Democratic senators, 85 sitting Democratic House members and President Obama.

Before August, we will also put forth principles for comprehensive tax reform. Those principles are based on the commonsense tax reform policies included in the last two House-passed budgets, which lower taxes for families and job creators to a top rate of 25 percent, eliminate the alternative minimum tax, transition America to a more competitive territorial tax system and keep revenue levels in the historic norm of 18-19 percent of gross domestic product. It is clear taxpayers are sick and tired of a code filled with special-interest loopholes that picks winners and losers and creates massive complexity. The tax code should be simpler, flatter and fairer. By eliminating lobbyist loopholes, we can lower rates and create a healthier, stronger economy with more jobs.

Finally, we will enact an expedited process to compel comprehensive tax reform in 2013. Although no specific process has been settled on, there are more than 30 different examples of “expedited processes,” such as Trade Promotion Authority, already in law. This concept was first discussed in the so-called congressional supercommittee, and we are making progress on a path forward.

Taking action now to prevent tax hikes sends a clear, strong message to the markets, to employers and to families that Washington is serious about reforming our tax code and putting us on a path to strong economic growth. House Republicans are ready, and we urge Senate Democrats and the White House to provide families and job creators the certainty they need by joining us to stop the tax hike.

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